Department of Defense Government Property

Defense Procurement and Acquisition Policy

November 17, 2011

The Problem with Government Furnished Property

We aren’t sure of what we have
We aren’t sure where it is
We aren’t sure what its worth
We don’t think its where we need it

Audits related to GFP

General Accountability Office (GAO) GAO-04-779, Navy Needs to Improve the Management Over Government-Furnished Material Shipped to Its Repair Contractors, July 23, 2004

US Army Audit Agency (USAAA) Report No. A-2005-0126-FFE, Management of Government Furnished Property, U.S. Army Garrison, Fort Hood, Texas, dated, Mar 4, 2005.

GAO Report No. GAO-08-316R. Subject: Defense Logistics: The Army Needs to Implement an Effective Management and Oversight Plan for the Equipment Maintenance Contract in Kuwait, dated January 22, 2008

DoD Inspector General (DoD IG) Report No. 2009-089, Internal Controls Over Government Property in the Possession of Contractors at Two Army Locations, dated June 18, 2009.

USAAA Report No. A-2009-0183-ALL, Applying Agreed-Upon Procedures to Determine if There Was a Potential for Theft of Property and Loss of Funds to the Government Due to the Actions of a Government Property Administrator, dated August 14, 2009.

USAAA Report No. A-2010-0018-ALL, Audit of Management and Visibility of Government Property Provided to the Contractor Performing Bulk Fuel Operations in Kuwait, dated December 17, 2009.

AFAA Report No. F2010-0005-FB3000, Government Furnished Equipment Financial Statement Reporting, dated January 11, 2010.

USAAA Report No. A-2010-0133-FFE, Time Sensitive Report - Accountability of Contractor Acquired Property, Audit of Planning for Disposal of Chemical Demilitarization and Storage Facilities, dated July 13, 2010.

DoD IG Report No. D-2010-088, Accountability and Disposition of Government Furnished Property in

Government Furnished Property Business Rules*

- Electronic transactions will be used to transfer government property to a contractor and/or return property to DoD. Contractors and DoD components shall confirm receipt by contract number for property received electronically.
- All transactions used to transfer property to contractor custody or return property to DoD custody shall cite contract number under which the property is or was accountable for stewardship
- For contractor requisitions of GFP, the DoD components shall capture or link to the contract number under which requisition authority to contractors is granted, and shall reject any contractor requisitions that are not authorized.

*January 11, 2010 DPAP Memo

Government Furnished Property Business Rules* (Con't)

- Consistent with FAR 45.201, GFP requirements shall be fully described and listed in an Attachment in any solicitation or contract to notify the contractor of those items of GFP that are due-in from DoD or that are authorized for requisition from a DoD Component supply source.
- GFP transfer transactions and receipts for non-UII'd property shall be routed to a GFP Hub co-located with the DoD IUID Registry as a prototype effort until Defense FAR Supplement guidance is final.

*January 11, 2010 DPAP Memo

Synchronizing the Policy

Material/ Logistics	Equipment/ Accountability	Acquisition/ GFP
DoDM 4140	DoDI 5000.64	DoDI 4161.02
Re-write in progress	Signed May 2011	In coordination

Ensuring consistency of policy and terminology across organizations and functions

The Vision to Accompany the Policy

Using automation, data standards and standard electronic transactions (together with business rules) to:

- Standardize
- Simplify
- Provide accountability
- Provide visibility
- Provide efficiency
- Eliminate multiple redundant requests for data
- Communicate with humans in a consistent fashion

Today's Regulatory Baseline

- Two property clauses published in the last five (5) years
  - 52.245-1 (June 2007)
  - 52.245-1 (August 2010)

- A third FAR revision is now completed
  - Will be published in 2011
  - Focus: property disposition and plant clearance

- New PGI 245 – Government Property

- Six new DFARS clauses now in place:
  - 252.211-7007 Reporting GFE to the UID registry
  - 252.245-7001 Tagging, Labeling and Marking of GFP
  - 252.245-7002 Reporting Loss of Government Property
  - 252.245-7003 Contractor Property Management System Administration
  - 252.245-7004 Reporting, Reutilization, and Disposal
  - 252.242-7005 Contractor Business Systems

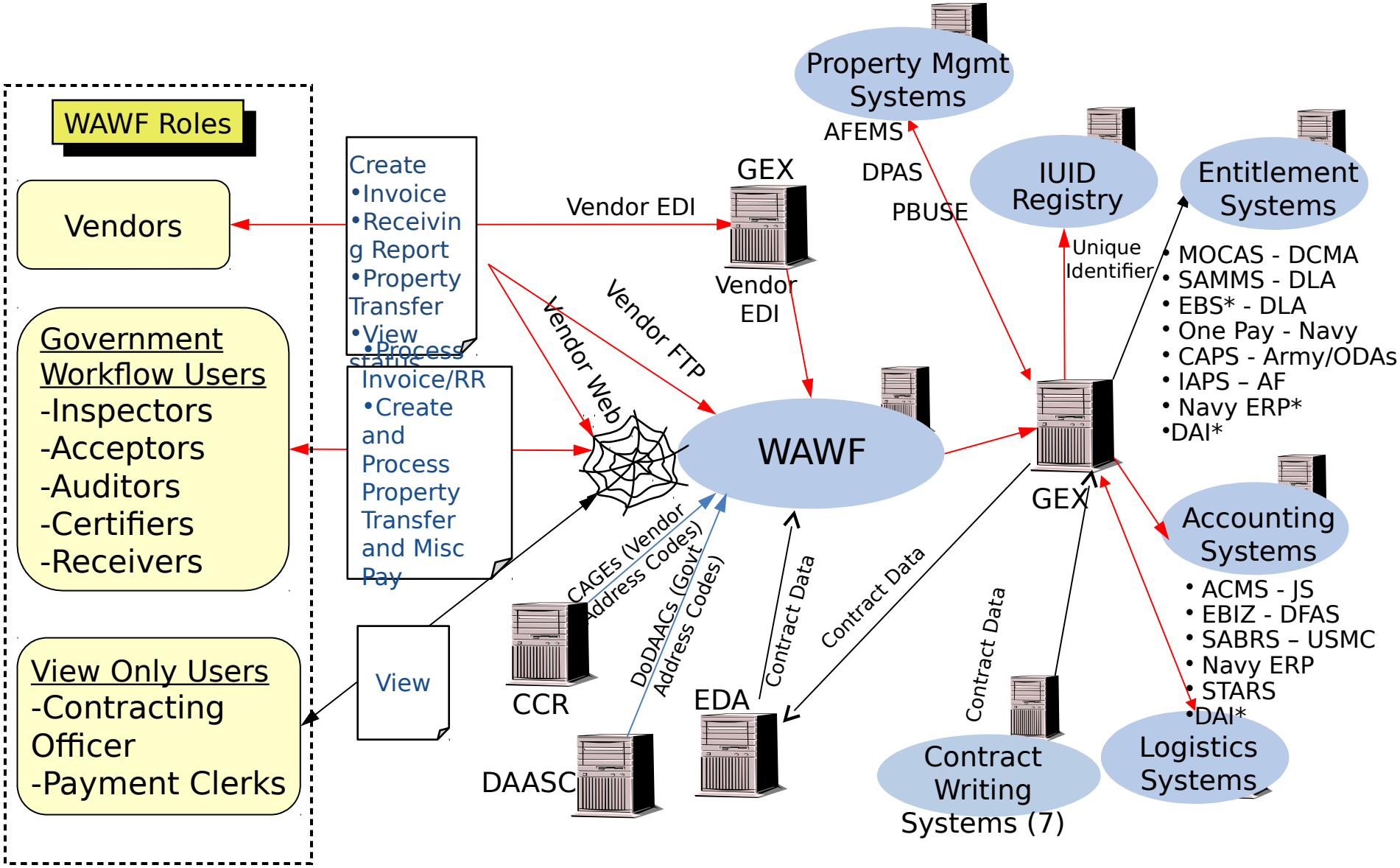
- Revision to 252.211-7007 in process

252.211-7007 Revision

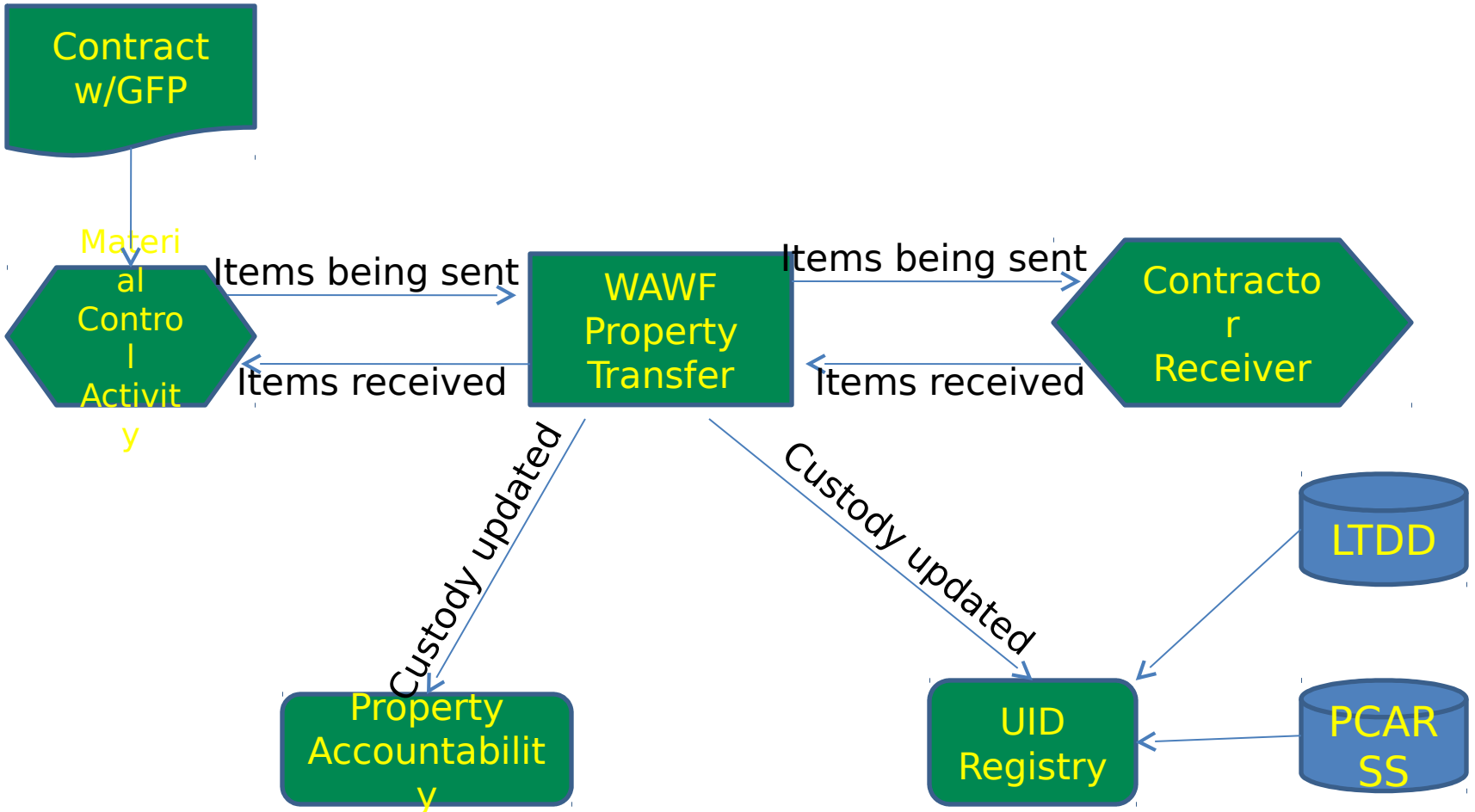
DFARS Case 2009-D043: Reporting GFP to the DoD Registry/Hub

- Revises current DFARS clause 252.211-7007
  - Removes some reporting exception
  - Removes dollar threshold on reporting
- Status:
  - Proposed Rule published Dec. 22, 2010 (canceled)
  - Public Meeting conducted March 18, 2011
  - Case rewritten based on comments and public meeting
  - Published in the Federal Register October 14, 2011 under new case number 2010-D001
  - Public Meeting scheduled for November 17, 2011

WAWF is part of the solution

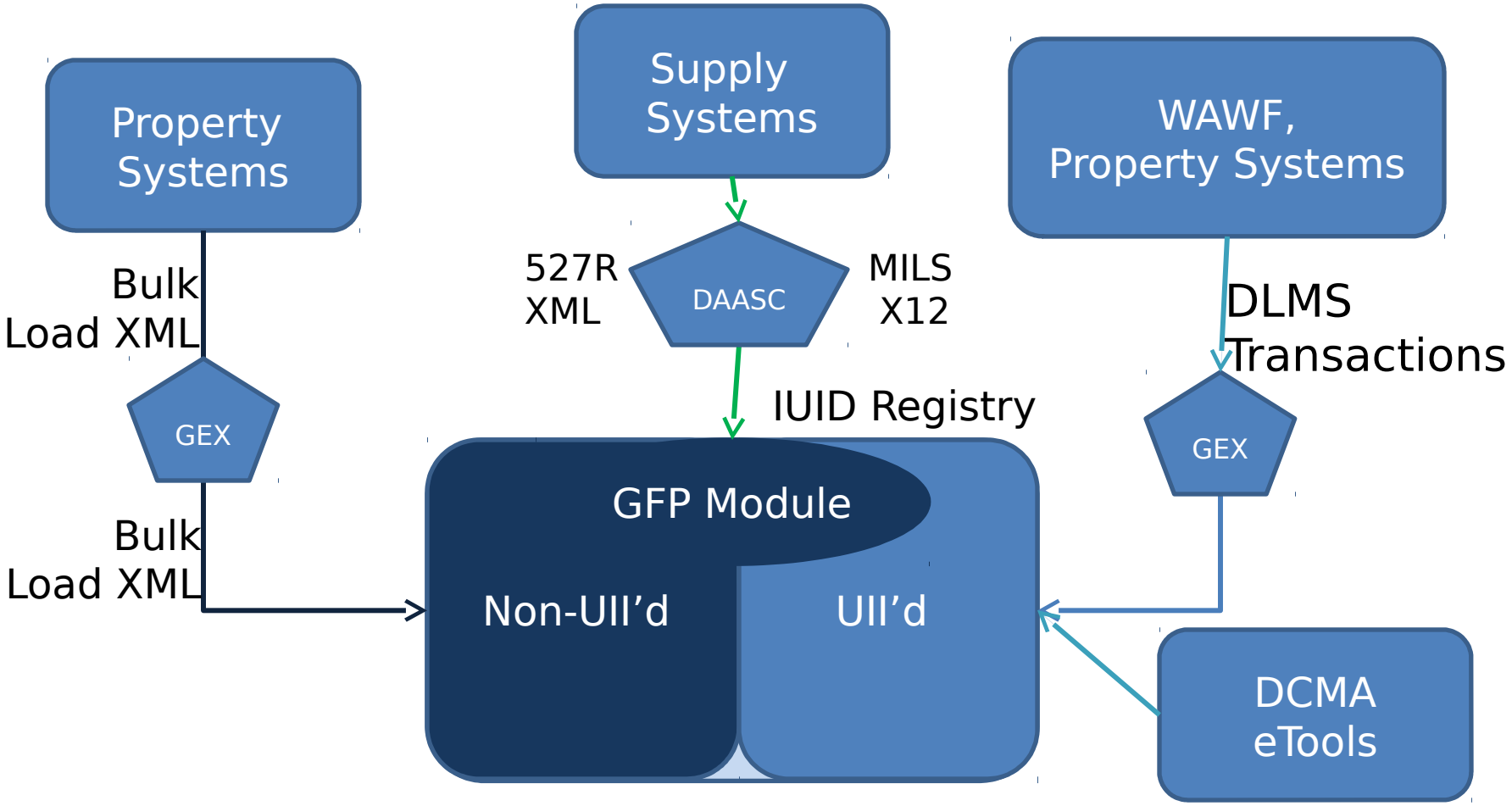


GFP Process Flow – Govt to Contractor



ganization input can be manual web input or system electronic formatted messa

GFP Module in the IUID Registry



GFP Pilot Participants

Pilots will run through 2nd quarter FY12

Participants will pilot portions of the functionality with and without a Government trading partner

Government
Air Force
Navy
Marines

Vendors
Bell
Boeing
Lockheed
Northrop
Raytheon

Additional participants being accepted

Events

- WAWF and Registry capability for UID’d items — Now
- WAWF Capability for non-UIIs — Now
- Registry capability for non-UII’d property — Now
- Bulk upload of non-UII property — Dec 2011
- Pilot/Test GFP Capabilities* — July 2011 - January 2012
- Complete remaining property cases — CY 2012
- GFP Module user interface — February 2012

GFP Business Rules

- DoDI 8320.04
- The DoD IUID Registry shall be the master data source for the identification of GFP in the hands of contractors.

- DoDI 4161.02
- All government property with a UII assigned shall be reported to the DoD IUID Registry as being reciepted.
- All government furnished property without a UII assigned shall be reported to the IUID Registry as being in a GFP state.
- Electronic transactions shall be used to transfer government property to a contractor and/or return property to DoD.
- Transactions transferring property from the government to contractor custody shall cite a contract number under which the property is accountable for stewardship, if known at the time of shipment.
- All contractor requisitions of Government property shall include the contract number under which requisition authority is granted.
- Accountability of contractor acquired property shall be established, not by maintaining accountable property records at the Component level, but by ensuring the contractor maintains an adequate property system in accordance with the requirements of FAR 52.245(b)(1).
- To the extent that visibility of CAP is required by the government, informational sub line items shall be established to identify each item requiring such visibility in accordance with the criteria of DFARS Subpart 204.7104-1(a).
- Accountable property records for CAP shall only be established upon delivery to the Government on a contract line item number (CLIN).
- GFE and serially managed GFM shall be identified and tracked through the use of unique item identifiers (UII), and non-serially managed GFM shall be identified by national stock numbers (NSN) in transaction-derived data from electronic business transactions

- PGI 245
- GFP requirements shall be fully described and listed in an Attachment in the solicitation and contract to notify the contractor of those items of GFP that are due-in from the government.

GFP Business Rules…continued

- DFARS 245
- GFP shall remain on a contractor's stewardship records until government receipt or acceptance (as required) of the returned GFP asset is complete

- When contractors receipt GFP shipped direct from another contractor or the government, the gaining stewardship contract shall be indicated on the receipt. If the stewardship contract cannot be determined at the time of receipt it must be annotated in the IUID registry within 30 days of receipt.

- DoDI 5000.64 and DoDM 4140
- The DoD accountable property system of record shall be the authoritative source to establish the existence on a GFP item.

- An item of GFP shall only be recorded once in a DoD accountable property system of record.

- An item of GFP will remain recorded in a DoD accountable property system of record while in the custody of a contractor.

- Contractor systems and Government in-transit systems used to record receipt, custody or stewardship of GFP shall not qualify as authoritative DoD accountable property systems of record.

- DoDM 4140
- Authorization of contractor access to the DoD supply system shall be managed using a single DoDAAC for each contractor location recorded in the Central Contractor Registry, consistent with the provisions of FAR Subparts 51.102(c)(2) and 51.103(b)(1).

- DoDI 5000.64
- When an item marked with a UII is embedded in an end item, it shall be assumed to remain in parent UII until a record indicates detachment.